

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

n/a

|                                |                  |  |            |
|--------------------------------|------------------|--|------------|
| Point of Contact:              | Suzanne Lagos    | RSSD: (For Bank Holding Companies)                     | n/a        |
| UST Sequence Number:           | 386              | Docket Number: (For Thrift Holding Companies)          | n/a        |
| CPP/CDCI Funds Received:       | 2,080,000        | FDIC Certificate Number: (For Depository Institutions) | 57850      |
| CPP/CDCI Funds Repaid to Date: |                  | Credit Union Charter Number: (For Credit Unions)       | n/a        |
| Date Funded (first funding):   | January 30, 2009 | City:  | Ojai       |
| Date Repaid <sup>1</sup> :     | N/A              | State:   | California |

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Lending to customers and the community was increased during 2010 as a result of the \$2 million received in TARP funds. Lending originated specific to the TARP funds equaled \$690 thousand.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

The TARP funds supported the greatest increase in the commercial line of credit category during 2010.

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☐ Increase securities purchased (ABS, MBS, etc.).

☒ Make other investments.

Excess funds are placed in Certificates of Deposit.

☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

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☒ **Increase charge-offs.**

The bank was able to write-off principal of troubled loans and restructure the loans for customers. The restructured loans included reduced payments as a result of the lowered principal balances.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

To date, the bank was able to restructure loans for nine relationships; the principal balance on the troubled debt restructures is in excess of \$5 million. Prior to the introduction of troubled debt restructures and TARP funds, many of the our customers would have faced foreclosures. The bank avoided the foreclosures due to the capital infusion of the TARP funds.

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### What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The bank was able to work with customers that in the past would have faced foreclosure and was able to restructure payments for the customers. The restructures included reducing principal on the loans. The TARP funds provided a cushion for bank losses as a result of the troubled debt restructures.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.